

Engagement Policy

June 30, 2023

General Approach & Philosophy

Engagement with management teams is an important component of Aristotle Capital's investment process. Our meetings give us insight into management's strategic priorities, risks and opportunities, the sustainability of a company's business model, stewardship practices, financial strength, and ability to endure (and potentially rise above) during times of adversity.

Aristotle Capital's Investment and Sustainability Teams directly engage the companies in which we invest. The Sustainability Team includes members of the Investment Team (including portfolio managers), as well as individuals from the Client Portfolio Management and Marketing Communications teams. We engage with company management, which can include the CEO, Chairman, General Counsel and/or board members. Our Investment Team members monitor, assess, and escalate issues with company leadership when necessary. We aim to promote appropriate disclosure on material ESG issues and use of standardized reporting frameworks, follow the company's progress on setting and reaching environmental goals (including tracking emissions), and establish dialogue around notable controversies. We utilize an internal materiality framework and reference guides from non-profit organizations and standard-setting bodies to help guide engagements.

Through our long-term investment approach, we seek to foster congenial relationships with company management, which can help provide a sounding board if we believe the company has taken fundamental missteps or has failed to create value for its shareholders. We believe this provides an effective means in providing better dialogue between us and the companies in which we invest.

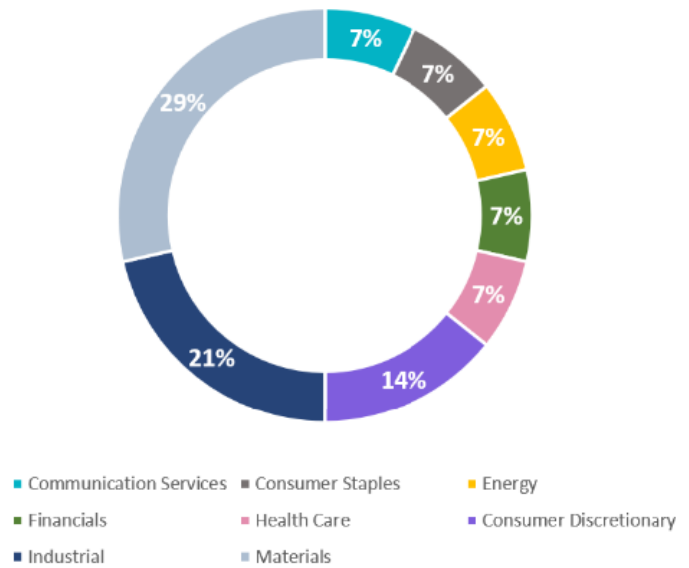
Procedure

Ahead of an engagement meeting, our team establishes priorities for discussion and prepare questions. We seek to identify any outstanding controversies, review items that required follow-up from past engagements and incorporate additional resources (including frameworks and company-specific materials) to ensure we cover topics that are pertinent to each company. The team maintains clear records of each meeting, outlining our engagement objectives, progress, outcomes and follow-up items. These records are shared with members of the Investment Team and help us monitor companies' progress over time.

Engagement Summary

For the 12 months ended June 30, 2023, we conducted both first-time and follow-up engagements with executive management teams. Areas we covered included climate goals (e.g., emissions tracking & reduction, water conservation, climate change risks & opportunities), employee/workplace safety and talent acquisition & retention, and governance. If applicable, we assessed the companies’ progress on previously discussed goals. In addition, individual Research Team members engaged with companies on various business and sustainability-related matters.

% of Engagements by Sector
12 months ended June 2023



Engagement Topics

While reviewing a company’s sustainability initiatives and reporting framework, we seek to identify and discuss what we consider to be key risks and opportunities across different areas that may be relevant to the business. To improve data quality, we promote the disclosure of material sustainability information, including climate data, product safety, diversity, and encourage companies to develop policies and reports in accordance with widely recognized standards. Topics discussed and monitored include (but are not limited to):

ENVIRONMENTAL	SOCIAL CAPITAL	HUMAN CAPITAL	BUSINESS MODEL & INNOVATION	GOVERNANCE
Greenhouse Gas Emissions	Access to Food, Water & Medicine	Employee Health & Safety	R&D of innovative and sustainable technologies	Leadership Structure & Accountability
Water Management & Efficiency	Ethical Marketing	Employee Retention & Development	Automation (i.e., for hazardous jobs)	Data Quality & Transparency
Climate Change Risks & Opportunities	Data Security & Privacy	Diversity & Inclusion	Product Lifecycle Management	Executive Compensation

Engagement Formats & Related Practices

A majority of our engagements are direct, one-on-one meetings with management teams. We also receive information and ask questions at sustainability-focused events hosted by the companies we invest in (alongside other investors and stakeholders). Furthermore, to supplement and help us stay informed on stewardship and engagement practices, we utilize resources and attend webinars from nonprofit organizations (i.e., PRI, ICGN, etc.)

Disclosures:

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Principles for Responsible Investing (PRI) is a voluntary framework for institutional investors who commit to integrate environmental, social and governance (ESG) factors into their investment analysis and decision-making practices.

The International Corporate Governance Network (ICGN) is a not-for-profit investor-led organization dedicated to develop and encourage adherence to global standards of corporate governance and investor stewardship.

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